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REPORT

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

United States
Department of
Agriculture
Foreign
Agricultural
Service
Washington, D.C. 20250

WR 25-83

WASHINGTON, June 22--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

CURRENT SERIAL RECORDS

EC TRADE NOTES

In a move that could foreshadow expanding sorghum production, the EUROPEAN COMMUNITY (EC) has decided that starting in the 1984/85 season, it will provide the same intervention price support for sorghum that is now given to other EC grains. The EC is presently self-sufficient in sorghum at the half-million-ton level, with France producing 60 percent of the total EC crop. A sorghum support program, however, could change that balance by stimulating additional production through acreage shifts away from lower-yielding barley, oats and rye, or by raising yields on land presently in sorghum. That would raise disposal problems which might necessitate a subsidized export or storage program. Alternatively, since the EC's price system puts imported grains at a price disadvantage, vis-a-vis domestically-produced grains, increased sorghum use would further tend to displace imported feed grains such as U.S. corn.

GRAIN AND FEED

Total WORLD grain production in 1983/84 is estimated by USDA at 1,638 million metric tons, 2 percent or 42 million tons below last year's record crop. U.S. production in 1983/84 is forecast at 257 million tons, 24 percent or 82 million tons below the 1982/83 record crop largely due to the impact of the PIK program. Foreign production, on the other hand, is expected to be 3 percent or 40 million tons above last year's outturn.

Reports indicate that if weather conditions remain normal during the next few weeks, AUSTRIA's grain harvest this year will likely exceed last season's record output. Grain exports may reach 600,000-700,000 tons, about 100,000-200,000 tons above 1982 export levels. Increased export levels mean an increased deficit. In order to bring grain export prices down to world market levels, grain shipments are subsidized by a fund to which farmers and the government contribute equal shares. Since last year's exports were larger than expected, the government prefinanced much of the farmers' share of the payment, with the intention to recollect it in 1983. However, if this season's grain forecasts materialize, the amount for subsidies would further increase, causing considerable financial problems for the country's agricultural sector. Last season's grain shipments were subsidized by about \$60 million; 1983 export subsidies may reach \$70-80 million.

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EDWIN MOFFETT, Editor, Tel. (202) 382-9443. Additional copies may be obtained from FAS Information Services staff, 5918-South, Washington, D.C. 20250. Tel. (202) 447-7937.

ARGENTINA's Grain Board export terminal employees appear to have returned operations to normal following a 15-day cooling-off period and recent concessions by the government. The workers initiated a work slowdown for approximately 10 days in May which produced a serious back-up of ships in a number of ports. The government's recent pay concession appears to be keeping workers on the job, and the shipping delays are beginning to be reduced. However, planned elections in October and an anticipated return to civil rule have triggered a number of incidents of labor unrest in recent weeks.

OILSEEDS AND PRODUCTS

Fishmeal production by the FISHMEAL EXPORTERS ORGANIZATION (FEO) countries, which account for the bulk of world exportable supplies, totaled 467,000 tons during Jan-Apr 1983, down 15 percent from the same four months in 1982. Fishmeal exports during the same period dipped to 386,000 tons, down 7 percent from the same period a year ago. Fish meal stocks on April 30, 1983 declined by 39 percent from a year ago. The data are as follows in 1,000 tons:

Country	Jan-Apr 1982			Jan-Apr 1983		
	Production	Exports	Ending Stocks	Production	Exports	Ending Stocks
Chile	193	174	223	206	168	177
Iceland	19	35	10	16	15	5
Norway	127	57	106	155	86	100
Peru	211	147	183	90	117	37
Total	550	413	522	467	386	319

During April 1983, fishmeal production by the FEO countries declined to 157,000 tons, 23 percent below the same month a year ago. However, April exports at 152,000 tons were 20 percent above the April 1982 volume and nearly triple the 52,000 ton volume exported in March 1983.

In May, fishmeal prices, (basis Europe) averaged about \$433 per ton, 20 percent above the May 1982 level and one-third above the October 1982 low. The fishmeal/soybean meal price ratio is now about 1.87 to 1, compared with 1.46 to 1 a year ago.

The substantial price increase reflected reduced production in Peru following the unusual weather pattern known as "El Nino" in 1982/83.

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INDIA's peanut meal exports during Oct-Mar 1982/83 declined to 98,200 tons, 23 percent below the same 6 months in 1981/82. This represents the smallest export volume for the October-March period since before 1969/70. Based on exports through March and the reduced 1982 harvest, India's peanut meal exports in the year ending September 30, 1983, are expected to decline to between 200,000 and 250,000 tons.

In terms of 44-percent soybean meal equivalent, India's 1982/83 exports of peanut meal will be down 65,000 tons from 1981/82 and more than 1.0 million tons below the 1976/77 volume.

During the 1969/70-1981/82 period, India's peanut meal exports ranged between a low of 258,200 tons in 1981/82 and a high of 1.14 million tons in 1976/77.

India's quarterly peanut meal exports for recent years are as follows in 1,000 tons:

Period	1978/79	1979/80	1980/81	1981/82	1982/83
Oct-Dec	140.8	146.4	67.4	42.5	43.0
Jan-Mar	209.1	102.0	148.5	84.9	55.1
Apr-Jun	95.9	82.3	81.5	72.8	
Jul-Sep	141.9	90.0	70.4	58.0	
Oct-Sep	587.7	420.7	367.8	258.2	

COTTON AND FIBERS

INDIA's 1983/84 cotton crop is tentatively estimated at 6.5 million bales, 200,000 bales above last year's revised estimate, according to the U.S. agricultural counselor in New Delhi. The area devoted to cotton production is forecast at 8 million hectares 3 percent more than the area last year. Plantings were begun in the northern irrigated states of Punjab, Haryana, and upper Rajasthan; this area represents approximately 15 to 20 percent of total planted acreage. Plantings are also underway in scattered parts of the non-irrigated areas of western India. Favorable fertilizer prices and the recent upturn in cotton prices could prompt farmers to increase plantings. However, the monsoon, which is in its formative stages, will also be an important determinant of the final outturn.

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SYRIA's cotton production during the 1983/84 season is forecast at 715,000 bales, according to the U.S. agricultural attache in Damascus. The steady increase in cotton yields, evident since 1979, can be attributed to favorable growing conditions, improved cultural practices such as early plantings, and better pest control measures. In the short to medium term, cotton production is anticipated to continue to increase. In an effort to meet increased output, keeping in mind the acute shortage of labor, serious attention is being devoted to mechanized planting and harvesting of the cotton crop.

	Area (000 Ha.)	Yield (Kg./Ha.)	Production (000 bales)
1979/80	154	828	586
1980/81	139	847	541
1981/82	143	906	595
1982/83 1/	159	972	710
1983/84 2/	160	973	715

1/ Estimated. 2/ Forecast.

The recently planted 1983 GREEK cotton crop is forecast at 600,000 bales due to extremely favorable early season weather conditions, according to the U.S. agricultural counselor in Athens. Should a crop of this magnitude materialize, it would be 30 percent above last season's revised estimate of 460,000 bales. Although the leading variety of cotton grown in Greece remains the 4S variety, there has been a shift to other varieties, namely Acala SJ2 and SJ5 and Sindos 80. These varieties apparently are more resistant to verticillium wilt. Anticipating a large outturn, the Hellenic Cotton Board intends to import 130 U.S. harvesters, 117 more than in the 1982 season.

SPAIN indicates cotton import needs may rise substantially in 1983/84. The U.S. agricultural attache in Madrid reports that a small 1983 cotton crop, minimal stocks and the continuing recovery in textile mill consumption may combine to raise import demand to as much as 270,000 bales. Spanish cotton imports during 1982/83 are estimated at 205,000 bales.

From July 1982 to April 1983, the UNITED STATES exported seeds for planting valued at \$262.2 million, 7 percent above a year earlier. Vegetable seed exports were up 9 percent and totaled \$95.2 million, 36 percent of total seed exports. Forage seed exports totaled \$59.6 million, 8 percent above last year. Corn seed exports of \$54.9 million were 4 percent above a year ago. For the July 1982-April 1983 period, principle markets for seeds were Mexico, Italy and Japan, with shipments valued at \$32.7 million, \$31.3 million and \$31.2 million, respectively.

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The EC Commission has approved the U.S. proposed second label to supplement the required OECD label on seeds shipped to the EC. The second label will include the name of the state certifying agency and information required in addition to that on the OECD label. Acceptance of the second label will assist U.S. exporters by facilitating labeling in compliance with EC requirements.

COFFEE, TEA AND COCOA

According to the U.S. agricultural attache in ECUADOR, the outlook for the 1983/84 cocoa crop is good to excellent due to the replenished soil moisture supplies, following 2 to 4 years of drought in some areas. Production could recover to 90,000 tons, if growing conditions are favorable.

The 1982/83 cocoa production estimate for Ecuador has been revised downward to 70,000 tons from the earlier estimate of 85,000 tons. Heavy rains and high humidity continued through most of May and caused fungus outbreaks. Fungicides are either unavailable or are too expensive for most producers. The excessive moisture conditions and fungus outbreaks disrupted the normal flowering and fruit formation cycle, which started a larger than normal crop loss from bloom and pod drops.

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Selected International Prices

Item	June 21, 1983		Change from previous week		A year ago
			\$ per MT	\$ per bu.	\$ per MT
ROTTERDAM PRICES 1/					
Wheat:					
Canadian No. 1 CWRS-13.5%.	200.00	5.44	-.50		195.00
U.S. No. 2 DNS/NS: 14%...	185.00	5.03	+4.00		176.00
U.S. No. 2 DHW/HW: 13.5%..	N.Q.	--	--		174.00
U.S. No. 2 S.R.W.....	156.50	4.26	+2.50		N.Q.
U.S. No. 3 H.A.D.....	195.00	5.31	-1.00		175.00
Canadian No. 1 A: Durum..	210.00 15/	5.72	+5.50		N.Q.
Feed grains:					
U.S. No. 3 Yellow Corn....	144.50	3.67	-.50		126.00
U.S. No. 2 Sorghum 2/.....	N.Q.	--	--		N.Q.
Feed Barley 3/.....	N.Q.	--	--		N.Q.
Soybeans and meal:					
U.S. No. 2 Yellow.....	240.00	6.53	-1.75		253.50
Brazil 47/48% SoyaPellets 4/	212.00	5.77	-0-		229.00
U.S. 44% Soybean Meal....	208.00	5.66	-1.00		220.00
U.S. FARM PRICES 5/					
Wheat.....	130.81	3.56	-1.10		129.34
Barley.....	84.51	1.84	-1.84		83.13
Corn.....	120.86	3.07	-1.81		101.18
Sorghum.....	115.97	5.26 6/	-.44		93.48
Broilers 7/.....	1072.52	--	-6.17		N.A.
EC IMPORT LEVIES					
Wheat 8/.....	99.25	2.70	-1.17		106.05
Barley.....	109.84	2.39	-.52		77.65
Corn.....	74.00	1.88	-.75		92.55
Sorghum.....	80.63	2.05	-7.90		94.00
Broilers 9/.....	279.00	N.Q.	-2.00 13/		261.00
EC INTERVENTION PRICES 11/					
Common wheat(feed quality)	179.07	4.87	-.99		178.44
Bread wheat.....	196.39	5.34	-1.09		204.90
Barley and all					
other feed grains.....	179.07	--	-.99		178.44
Broilers 12/.....	1129.00	N.Q.	+20.00		N.Q.
EC EXPORT RESTITUTIONS (subsidies)					
Wheat.....	25.87	.71	--		N.A.
Wheat flour.....	N.Q.	N.Q.	N.Q.		N.Q.
Barley.....	N.A.	--	--		N.A.
Broilers 9/.....	200.00	N.Q.	-1.00 13/		173.00
Sugar, refined 14/.....	259.84	--	-18.86		N.A.

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Optional delivery: Argentine Granifero sorghum. 3/ Optional delivery: Canadian feed barley. 4/ Optional delivery: Argentine. 5/ Based on selected major markets and adjusted to reflect farm prices more closely. 6/ Hundredweight (CWT). 7/ Twelve-city average, wholesale weighted average. 8/ Durum has a special levy. 9/ EC category--70 percent whole chicken. 10/ Reflects exchange rate change and not level set by EC. 11/ F.O.B. price for R.T.C. whole broilers at West German border. 12/ F.o.b price for R.T.C. whole broilers at West German border. 13/ Reflects exchange rate change and not change in level set by EC. 14/ Week of June 9-June 15, based on a maximum subsidy rate of 24.490 ECU's per 100 kilograms. 15/ July Shipment. N.Q.=Not quoted. N.A.=None authorized. Note: Basis July delivery.

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